

PTA Treasurer's Training

Being "Accountable"
and
"Transparent"



Duties of the PTA Treasurer

- ❑ Maintain accurate, detailed financial records
- ❑ Help prepare the PTA Budget
- ❑ Receive & disburse funds
- ❑ Present a Treasurer's report at PTA meetings
- ❑ Prepare a IRS tax return, 990, 990EZ, or 990N
- ❑ File Colorado Secretary of State Documents if applicable
- ❑ Prepare the books for the annual audit

First Steps...

- ❑ Make sure books are audited
- ❑ Study duties and any reference to finances/budget in PTA bylaws
- ❑ File signature cards with bank
- ❑ Check on bond and liability procedures
- ❑ Study PTA Money Matters Quick-Reference Guide!

Purpose of The Audit

- ❑ To certify the accuracy of the books and records
- ❑ To assure the membership that the association's resources/funds are being managed responsibly.



Filing The Audit

- Audit is due 30 days after fiscal year-end (check by-laws for your PTA specifics)

- Download a copy of Audit Report on www.jeffcopta.org

- Make 4 copies of Audit Report
 - File Audit report with Colorado PTA
 - Copy for Treasurer
 - Copy for Secretary
 - Copy for President

When and Who Should Conduct the Audit?

- ❑ The financial records should be audited at least once a year, any time there is a change in financial officers, or at any other time deemed necessary.

- ❑ Depending on what is written in your bylaws:
 - A hired accountant with non-profit expertise
 - Two or three PTA members with some accounting experience, who are not current signers on the bank account.
 - The in-coming treasurer can be an audit committee member, unless she was a signer on the account during the year being audited

Records Needed for the Audit

- Prior year's audit report
- Checkbook & cancelled checks
- Bank statements & deposit receipts
- Account ledger
- Annual Financial Report
- Expense vouchers & receipts
- Any other information requested by the audit committee

Money Management – Develop a Budget

- It's NOT your money!
- The students depend on your performance, the community depends on your trust.
- The budget is a statement of projected revenues and expenses.
- Your PTA unit cannot spend money until the budget is approved by the members.

Develop a Realistic Budget

- ❑ Form a budget committee of 3 to 5 members
- ❑ Review prior year's actual vs. budgeted receipts and disbursements
- ❑ **First**, determine how much money your unit will need to cover anticipated expenses for the current year. **Next**, determine how you are going to pay for those expenses (**Not the other way around.**)
- ❑ Draft a preliminary budget worksheet, based on the budget committee's projections.

Sample Budget Worksheet

Proposed Budget 2009-2010			
	2008-2009	2008-2009	2009-2010
	Budget	Actual	Proposed
INCOME			
Carry-Forward From Previous Year	\$ 2,000.00	\$ 1,800.00	\$ 1,800.00
Unallocated Reserves	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Membership Income (Local Portion Only)	\$ 200.00	\$ 300.00	\$ 300.00
Interest Income	\$ -	\$ -	\$ 100.00
Corporate Sponsors	\$ -	\$ -	\$ 1,000.00
<i>Fundraising Projects (Net Totals)</i>			
Barnes & Noble Book Sales	\$ 2,000.00	\$ 2,300.00	\$ 2,700.00
Fun Run Income	\$ 8,000.00	\$ 9,000.00	\$ 10,000.00
TOTAL INCOME	\$ 11,700.00	\$ 13,100.00	\$ 15,600.00
EXPENSES			
Bank Fees	50.00	10.00	50.00
Printing Expenses/Postage	125.00	150.00	150.00
Office Supplies	175.00	250.00	250.00
Liability Insurance & Bonding	200.00	200.00	200.00
Hospitality: Teacher Conferences, PTA Meetings, Secretaries Day, Volunteer Appreciation	300.00	200.00	300.00
Reflections	200.00	180.00	300.00
Jeffco Scholarship	100.00	100.00	100.00
Science Fair	200.00	225.00	300.00
Grants: After School Programs	1,000.00	1,100.00	1,200.00
Teacher Wish List	6,050.00	7,500.00	9,250.00
Unallocated Reserves	1,300.00	1,300.00	1,500.00
Carry-Forward 2009-2010	2,000.00	1,800.00	2,000.00
TOTAL EXPENSES	11,700.00	13,015.00	15,600.00

Adopting and Amending the Budget

- ❑ The preliminary draft should be presented to the PTA Board for consideration, and to the PTA membership for approval.
- ❑ The budget must be presented at a general PTA meeting, and voted on by the members. A majority vote of the members present is required for adoption.
- ❑ The adoption of the budget authorizes the PTA to spend other people's money for expenses covered in the budget
- ❑ Amendments can only be made at a general membership meeting.
- ❑ Amendments require a majority vote of the members present at a general meeting or at a special meeting called for that purpose.
- ❑ More details on amending budgets on www.jeffcopta.org

Managing the Money - Disbursements

- ❑ **ALL** checks require two authorized signatures. NEVER SIGN BLANK CHECKS.
- ❑ **ALL** expenses should be paid by check. NEVER USE CASH.
- ❑ **ALL** checks written should be only for authorized expenses (INCLUDED IN THE BUDGET OR RECORDED IN MEETING MINUTES)
- ❑ **ALL** check requests should include a receipt. NO RECEIPT, NO REIMBURSEMENT.

Disbursements – Using a Check Request (Voucher) System

- ❑ A voucher should be filled out for every check written
- ❑ Information to include on the voucher: date, check number, description of the expense, budget line item, amount to be paid and the payee.
- ❑ Receipts should be attached.
- ❑ Check Request Vouchers can be found on www.jeffcopta.com

Collecting Money – Checks & Cash

- ❑ Keep a detailed record of all deposits made and attach the receipt issued by the bank
- ❑ Deposit all funds promptly in the PTA bank account.
- ❑ Cash Money counts should be conducted by at least two people
- ❑ Issue a receipt signed by both people who verified the count, and attach it to your copy of the deposit record
- ❑ Cash Verification forms can be found on www.jeffcopta.com



Sample Treasurer's Report

	A	B	C	D	E
1					
2	Item	Budget	MTD	YTD	Balance
3					
4	Ballgame Sales	\$25,000	\$7,500	\$10,000	\$15,000
5	Yearbook	\$35,000	\$22,000	\$22,000	\$13,000
6	Friday Madness	\$15,000	\$5,000	\$17,000	-\$2,000
7	Totals	\$75,000			
8					
9					
10	Teacher Grants	\$15,000	\$1,000	\$12,000	\$3,000
11	Library Supplies	\$10,000	\$5,000	\$10,000	\$0
12	School Store	\$15,000	\$11,000	\$11,000	\$4,000
13	Convention	\$2,000	\$0	\$0	\$2,000
14	Student Council	\$2,750	\$750	\$750	\$2,000
15	Copier/Supplies	\$14,500	\$4,500	\$10,000	\$4,500
16	Totals	\$59,250			

Tip: Use the program and report design that is best for you and your PTA!

Insurance and Bonding

- General liability insurance protects local PTA units against liability lawsuits arising from injuries and property damage
- Bond insurance protects against losses due to embezzlement
- Review the insurance policy and educate your unit regarding what PTA sponsored events are covered, and what events are excluded

General Liability Coverage

- Who should be protected?
 - Normally the PTA unit
 - It is recommended that an “endorsement” be included for volunteers, PTA members
- What protection does general liability provide?
 - Actions against the PTA from injury or property damage
- Is there a dollar limit?
 - PTA’s are encouraged to investigate a policy containing a \$1 million limit; this is an industry standard

501(c)3 Tax Exempt Status

- All Local Unit PTAs are considered subordinate units under the Colorado PTA 501(c)3 status.
- All units have their own **EIN#** for receipts on donations and for filing tax returns.
- **The Tax Exemption Number** is used to purchase items and be exempt from Colorado sales tax.
 - All units use the same Tax Exemption Number.
- Colorado PTA office has a copy of the IRS determination letter, verification the your unit is a subordinate unit, and tax exemption certificate.

Federal Reporting – Tax Returns

- Form 990-N
 - Gross Receipts < \$25,000
 - Must be filed electronically

- Form 990EZ Gross Receipts >\$25, 000
 - Must include schedule A

- Form 990 Gross Receipts >\$ \$1,000,000
 - Must include schedule A



Department of the Treasury
Internal Revenue Service

Tax Return Due Dates

- File by the 15th day of the 5th month following fiscal year end

OR....

- File form 8868 by the tax due date to get an automatic 3-month extension

Late Filing Penalties \$\$\$\$\$:

- 990 or 990EZ - \$20 per day
- 990-N (e-postcard) - No penalties but units who don't file for **3** consecutive years will lose tax-exempt status

Colorado Charitable Solicitations Act

- ❑ Who - PTA units with gross receipts > \$25,000 must register with the Colorado Secretary of State
- ❑ Where - Register On-line only @ www.sos.state.co.us - Licensing Division – Charitable Solicitations
- ❑ When - Due date for registering is the same as your Federal tax due date.
- ❑ What - Requires basic legal, organizational, and financial information from your tax return.
- ❑ Why - Allows donors access to information about charitable organizations

A Note About Fundraising...

- The primary emphasis of PTA should be the promotion of the PTA Mission
 - Fundraising is useful to achieve your goal, but is not a primary PTA function
- Base fund raisers on your annual budget and plan your activities
- Remember the "3-to-1 Principle"
 - For every fundraiser, plan three non-fundraising activities that focus on community outreach, enrichment, or advocacy

Resources and Reinforcement

- Jeffco Council Officers/ Region Directors
www.jeffcopta.org

- Colorado PTA
 - 7859 West 38th Avenue
Wheat Ridge CO 80033
303-420-7820 voice
303-420-7703 fax
www.copta.org

- National PTA Information Center
(800) 307-4PTA (4782)
www.pta.org